



Note: The diagram above refers to our Plantation Business in Kalimantan

Amid a bearish market, the division recorded revenue of RM118.34 million in FYE2019, 23.0% lower than last year's RM153.65 million largely due to the sharp decline in palm product prices. The average price realized for CPO (net of duty) registered during the year was RM1,921 per MT compared to RM2,342 per MT last year. Fresh fruit bunches ("FFB") harvested increased slightly to 198,910 MT compared to 198,644 MT harvested last year with an average yield of 20.77 per mature hectare (FYE2018: 22.83 MT).

Meanwhile, PBT stood at RM9.18 million (before the writeback of impairment losses which is discussed hereinbelow), which was 22.49% lower than the PBT of RM31.67 million achieved last year. Our estates in Malaysia which are still in the process of land development or palm planting registered a total pretax loss of RM13.87 million compared to RM7.13 million pretax loss recorded last year following to

the acquisition of Ladang Bunga Tanjung Sdn. Bhd. which was completed in February 2018.

The division had in Q2 FYE2019 reversed a previously recorded impairment on property, plant and equipment in the Group's Indonesian subsidiary, PT Nunukan Jaya Lestari ("PTNJL") as a consequence of the Mahkamah Agung's decision that the Ministerial Order revoking PTNJL's HGU be annulled. The reversal of the impairment has a positive effect of RM23.63 million whereupon the division's PBT for FYE2019 would be RM32.81 million with the inclusion of the writeback.

FFB produced by PTNJL decreased by 6.1% to 164,769 MT (FYE2018: 175,425 MT). A lower yield per hectare of 26.08 MT was recorded compared to 27.53 MT last year. Meanwhile, FFB purchased from third parties also decreased to 49,902 MT from 60,460 MT in the previous year. Note that FFB production was back to normal

Immature palms make up **4,660 ha** of the Group's total planted area, which means the Group's crops are **projected to rise strongly** in coming years.

following to the bumper crops recorded last year which is due to post recovery of El-Nino.

FFB production of our Johor estates have improved by 4.4% to 18,708 MT, (FYE2018: 17,912 MT) due to an increase in mature area from 875 hectares to 981 hectares. However, our average yield per mature hectare of 20.56 per MT lower than the 21.11 per MT achieved last year. FFB production at our estate in Miri, Sarawak increased by almost threefold from 4,958 MT to 14,122 MT, attributed